

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER)	
COMPANY FOR APPROVAL OF THE TERMS)	
AND CONDITIONS OF THE RENEWABLE)	
ENERGY PURCHASE AGREEMENT FOR)	CASE NO.
BIOMASS ENERGY RESOURCES BETWEEN)	2013-00144
THE COMPANY AND ECOPOWER)	
GENERATION-HAZARD LLC; AUTHORIZATION)	
TO ENTER INTO THE AGREEMENT; GRANT)	
OF CERTAIN DECLARATORY RELIEF; AND)	
GRANT OF ALL OTHER REQUIRED)	
APPROVALS AND RELIEF)	

ORDER

On October 10, 2013, the Commission entered an Order approving the terms and conditions of a Renewal Energy Purchase Agreement for Biomass Energy Resources ("REPA"), as set forth in the amended application of Kentucky Power Company ("Kentucky Power"). The REPA provides for Kentucky Power to purchase for a 20-year term the entire output of a 58.5-megawatt biomass-fired merchant electric generating facility to be constructed by ecoPower Generation-Hazard LLC, and located in Hazard, Kentucky. The Commission also approved Kentucky Power's request to recover the costs of the renewable energy under the REPA and authorized the establishment of a Biomass Energy Rider, designated Tariff B.E.R., for the recovery of the REPA costs. The October 10, 2013 Order contained certain redactions of information that Kentucky Power had requested to be confidential. After the

Commission denied confidentiality of the requested information, the Commission subsequently entered the same Order on January 17, 2014, without the redactions.

One of the intervenors to the case, Kentucky Industrial Utility Customers, Inc. ("KIUC"), brought an action against the Commission in the Franklin Circuit Court challenging the Commission's approval of the REPA. The Franklin Circuit Court affirmed the Commission's Order approving the REPA, and KIUC appealed that decision to the Kentucky Court of Appeals. In an Opinion rendered on July 15, 2016, the Court of Appeals reversed the Franklin Circuit Court decision and remanded this case back to the Commission with the directive to deny Kentucky Power's request for cost recovery of the REPA. The Court of Appeals Opinion became final on August 15, 2016.

Based on the directive in the Court of Appeals July 15, 2016 Opinion, the Commission HEREBY ORDERS that:

1. The Commission Orders entered on October 10, 2013, and January 17, 2014, are revoked.
2. Kentucky Power's requests for approval of the REPA and for cost recovery of the REPA are denied.
3. Kentucky Power's Tariff B.E.R. is denied and shall be removed from its current tariffs on file with the Commission.

By the Commission

ENTERED
AUG 25 2016
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2013-00144

*Hector Garcia
American Electric Power Service Corp.
1 Riverside Plaza, 29th Floor
Columbus, OHIO 43215-2373

*Jennifer Black Hans
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

*Kentucky Power Company
101 A Enterprise Drive
P. O. Box 5190
Frankfort, KY 40602

*Kenneth J Gish, Jr.
Stites & Harbison
250 West Main Street, Suite 2300
Lexington, KENTUCKY 40507

*Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Honorable Mark R Overstreet
Attorney at Law
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KENTUCKY 40602-0634

*Ranie Wohnhas
Managing Director
Kentucky Power Company
101 A Enterprise Drive
P. O. Box 5190
Frankfort, KY 40602